

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: WORLDCOM, INC.	DOCKET NO. WRU-00-81-325
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ORDER GRANTING WAIVER

(Issued December 28th, 2000)

On November 13, 2000, WorldCom, Inc. (WorldCom), filed with the Utilities Board (Board) a request for a waiver of 199 IAC 22.23(2). The subrule requires individual customer verification to change the customer's local or long distance provider. WorldCom states that it has a wholly owned subsidiary, Touch 1 Long Distance, Inc. (Touch 1), that is providing long distance service in Iowa, and Touch 1 is being merged into MCI WorldCom Communications, Inc. (MCI WorldCom), another wholly owned subsidiary.

Worldcom states that as part of the merger Touch 1's customer base will be transferred to MCI WorldCom. Since 199 IAC 22.23(2) would require that all of the 4000 customers of Touch 1 give prior written or recorded verification before the transfer could occur, WorldCom is requesting a waiver of the requirement.

WorldCom states that it will inform Touch 1 customers of the transfer and that they

will receive the same or better rates after the transfer. WorldCom states that it would be an undue hardship for it to obtain customer verification.

The Board finds that the waiver request should be granted as it complies with the provisions of 199 IAC 1.3. The waiver is similar to the waiver granted in Docket No. SPU-99-29, when GTE Midwest Incorporated was purchased by Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom. In that docket, the Board found that it would be undue hardship to obtain the individual waivers.

The Board finds that the waiver will not affect the substantial legal rights of customers. The verification rules are intended to prevent the unauthorized change of long distance service, where the acquiring company has no business relationship to the current provider and the change is to acquire customers fraudulently. In this instance, Touch 1 and MCI WorldCom are affiliates and the transfer is designed to better align corporate structures.

Additionally, the Board finds that the verification requirement in these circumstances is not specifically mandated by statute or other provision of law and substantial equal protection of public health, safety, and welfare will be afforded by means other than the waived rule. For the above reasons the Board will waive the provisions of 199 IAC 22.23(2) as requested by WorldCom.

IT IS THEREFORE ORDERED:

The request for waiver of 199 IAC 22.23(2) by WorldCom, Inc., filed on November 13, 2000, to allow the transfer of customers from Touch 1 Long Distance, Inc., to MCI WorldCom Communications, Inc., without written or recorded verification is granted.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Raymond K. Vawter, Jr.
Executive Secretary

/s/ Diane Munns

Dated at Des Moines, Iowa, this 28th day of December, 2000.